



## IDAHO CARBON SEQUESTRATION ADVISORY COMMITTEE (*ICSAC*) Forestry Subcommittee

February 13<sup>th</sup>, 2008  
9:00AM - Noon  
University of Idaho Campus, Moscow, Idaho  
College of Natural Resources

### Idaho Soil Conservation Commission

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#### Governor

C.L. "Butch" Otter

#### Commission Members

Bill Flory  
Dwight Horsch  
Richard Rush  
J. Morgan Evans  
Joe Davidson

#### Administrator

Jerry Nicolescu

### Attendees:

- |                                    |                     |
|------------------------------------|---------------------|
| 1. Bennett, Tony                   | 8. Gariglio, Frank  |
| 2. Bowman, Mike                    | 9. Hoffman, Mike    |
| 3. Cook, Philip                    | 10. Kummett, Brian  |
| 4. Corrao, Vincent                 | 11. Mahoney, Ron    |
| 5. Daley-Laursen, Steven<br>(part) | 12. Mann, Paul      |
| 6. Evans, Russ                     | 13. O'Laughlin, Jay |
| 7. Furman, Richard "Tiny"          | 14. Richards, Tom   |
|                                    | 15. Youtz, Carol    |

### Agenda Items:

#### Welcome and Introductions

Tiny Furman

The meeting was called to order at 10:05 AM Mountain Standard Time. One of the things the group would like to do at this meeting is to reevaluate the Framework document, which has had several iterations over the last two years.

#### Status of the State's Framework Document

Tony Bennett

Bennett suggested posting the educational portions of the Framework document onto a website for fuller access to interested parties. This webpage could be at one of the following locations:

- The Idaho Soil Conservation Commission website: [www.scc.idaho.gov](http://www.scc.idaho.gov)
- Idaho OnePlan website: [www.oneplan.org](http://www.oneplan.org)
- Dedicated Carbon Sequestration website (*to be created in the future*)

1. **Education and Outreach** -- aimed at legislators, the Governor's Office, teachers, farmers and ranchers, local Conservation Districts, foresters, etc. Bennett stressed the need for a coordinated effort with U of I Extensions, Conservation Districts, the Idaho Soil Conservation Commission, DEQ, Nez Perce Tribe, and any other partners. The *U of I College of Natural Resources* is very interested in

participating, and Dean Daley-Laursen provided the following updates:

- The University of Idaho has recently joined the Chicago Climate Exchange (CCX), and the Governor supports this as a role modeling tool and to keep carbon sequestration and carbon trading in the public eye
- University students might be set up as aggregators or affiliate partner with existing aggregators for special projects. Governor Otter is very supportive about having more Idaho organizations and/or agencies become involved in carbon trading.

2. **PILOT PROJECTS** Two Eastern Idaho RC&Ds and the local Conservation Districts recently hired a consultant to evaluate interest in a pilot project for trading carbon credits on Idaho rangeland and grassland. The consultant developed a questionnaire, and would also like to talk to the *Pacific Northwest Direct Seed Association (PNDSA)* about the current trades they are doing with CCX. CCX has not yet established a designated sequestration region in Idaho for agricultural crops. ISCC and ISDA jointly created and sent a letter to the Chicago Climate Exchange on December 20, 2007, formally requesting such a cropland designation.
3. **Research Needs** – for the agricultural sector, we need to obtain information for dry crop areas. Dave Huggins (*U of I, Idaho Falls campus*) feels that there is a lot of information out there, but it all needs to be consolidated and collated before sending to CCX. There are many existing tools to measure amounts of carbon in soils and crops; however, the COMET Model doesn't work in Idaho. University of Idaho recommended that we contact Bob Smith (*U of I, Idaho Falls campus*) for a protocol that will work for Idaho.
4. **Carbon Encumbrance Inventory (CEI)** Many people feel that this is still a good idea. Some legislators have voiced a strong interest in this inventory, as the hard data might be used to qualify our area for Federal monies to fund new and existing projects.

#### **Carbon Sequestration Options in the Forest Sector (PPT)** Jay O'Laughlin

Professor O'Laughlin was invited by Senator Gary Schroeder, Chair of the *Senate Resources and Environment Committee*, to present information to the committee on Jan. 21 regarding smoke and wildland fire management policy. One of the slides he showed illustrated the six ways forests contribute to greenhouse gas reduction strategies. This raised a question:

*Q: from Senator Brad Little: Do old growth forests sequester more carbon than forests raised for timber?*

*A: It depends – new forests grow faster, but old forests store more carbon.*

The senator requested a yes or no answer. In reply, Dr. O'Laughlin has drafted an Issue Brief paper on *Carbon Sequestration Options in the Forest Sector* that develops a yes and no answer. If the sequestration of carbon in manufactured wood products and

substitution of wood products for cement and steel is considered, then for high productivity forests the answer is yes. For lower productivity forests or inefficient substitution of wood products, the answer is no. After presenting highlights of the paper during the meeting in a PowerPoint, he distributed copies of the draft and requested feedback from those present.

Several points of discussion or questions were raised. It was pointed out that the LEED Standard for "green" buildings may be ignoring energy-use materials. Steel, plastics, and concrete use 250% more energy than the equivalent use of wood products. The displacement of other building products with wood in building construction is therefore desirable.

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Q: What is the single best way to sequester more carbon in forests?

A: Reduce the extent of severe wildfires. **Six million tons of carbon would not be released into the atmosphere if we reduce wildfires by only 10% each year.** Forest biomass causes problems when it's NOT used, primarily through increased risk of wildfires. Thinning and prescribed burning is needed across tens of millions of acres to reduce forest fuels. The monetary costs of dealing with forest fires, as well as the fine particulate matter (soot, etc. causes respiratory problems and even premature deaths) far exceed the cost of better forest management practices. Prescribed burning may not be welcome or even possible, as it adversely affects air quality immediately. However, in the long term air quality may be improved following prescribed burning because the next wildfire will have less fuel to burn and therefore have reduced emissions of smoke, particulate matter, and greenhouse gas.

Several committee members commented on the need for this paper and the way the information is presented in it.

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#### Carbon Trading:

##### - **Nez Perce Tribe Carbon Trade Update** Brian Kummert, Nez Perce Tribe

Last July the tribe signed a contract with CCX, which has so far resulted in two sales of 500 *metric tons (mt)* and 1200 mt to a school district in Mexico, and to a confidential source – *(may have been purchased by the US House of Representatives to reduce their carbon footprint)*. The average price was \$4.00 per metric ton – but the price recently dropped precipitously. Currently, carbon credits are selling for about \$2.10 - \$2.30 per metric ton. The tribe has sold roughly 1/3 of the portfolio that was given to CCX. CCX gathers carbon into CFI units. CCX doesn't sell projects, they sell CFIs.

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The tribe has last year's (2007) carbon credits now available for sale, and CCX is having the tribe verify the carbon content of the project (Field verifications vs Desk Audit?). Twenty-four projects are for fire rehabilitation and reforestation – 8-10 aforestation projects are still for sale.

1 - **PNDSA Ag Carbon Trade** **Russ Evans, PNDSA**  
2 The more we know, the more uncertainties there are. Not much has changed. PNDSA is  
3 not supporting the Lieberman Bill (SB 2191)  
4  
5 PNDSA is in the process of signing a contract with EcoSecurities in Europe. The contract  
6 represents twenty Idaho landowners who use GPS and other precision agricultural  
7 practices to plant, fertilize, and harvest their crops. The price for this particular trade in  
8 Europe is approximately \$8.00 per metric ton. PNDSA estimates that about 2500 tons of  
9 carbon credits could be sold over a three-year period.  
10  
11 PNDSA doesn't see much happening in the United States until the Federal government  
12 buys in. We don't currently have a protocol for measuring the amount of carbon that  
13 can be sequestered in soils. Dave Huggins created a two-page proposal to identify a  
14 protocol which would include baseline sites for measuring rates, etc. He speculated that  
15 a grad student could be hired to gather and compile the existing information into a  
16 protocol. Chad Kruger at Washington State University is very interested in spearheading  
17 this effort, and may be seeking financial contributions to support the project.  
18  
19 Until CCX designates a cropping region for Idaho/Washington, Idaho farmers cannot  
20 trade carbon credits on their farmland.

21  
22 - **Rangeland Carbon Trade Pilot Project** **Tony Bennett**  
23 Sponsored by the High Country RC&D and Three Rivers RC&D. Both Ted Dodge and  
24 Neil Sampson (NCOC) have attended workshops in Pocatello looking at rangeland  
25 carbon credit trading. NCOC hired a contractor to work with ranchers, and his input has  
26 been well-received. Low prices have not deterred the ranchers. Returns will be low at  
27 first, as this is a pilot project.

## 28 29 **Group Discussion**

### 30 ***Potential Forest Carbon Credit Pilot Project***

31  
32 Q: Mann – Is the University of Idaho's experimental forest certified (certification of  
33 sustainability)?

34 A: No.

35 Kummett - CCX wanted the Tribal forestlands to be certified also, but Nez Perce said  
36 that the Bureau of Indian Affairs (BIA) already certified their land as being managed for  
37 sustainability – a waiver was received from Washington DC. The

38  
39 Q: O'Laughlin – is CCX the only game in town?

40 A: Kummett – *Environmental Defense* has some interest, but no trades have happened  
41 with this entity yet.

42 A: Evans – CCX is active in Europe, under the name *European Climate Exchange (ECX)*,  
43 and already has the infrastructure in place to trade carbon credits  
44

1 **Wrap-up** – Hoffman asked the group for a clearer delineation of a potential pilot  
2 project. if they preferred to work with University of Idaho's experimental forest, or work  
3 with private forest lands to implement a forestry pilot project.  
4  
5 Furman -- The purpose of a pilot project might be better received by private  
6 landowners if the lands in the pilot project were privately owned.  
7  
8 Bennett – Will approach Jane Wittmeyer (*Intermountain Forest Association*) about a  
9 pilot project in the private sector.  
10  
11 Vincent Corrao – The McGovern property, owned by U of I, has 99% of information  
12 needed for tree farmers to become certified – there may be a blanket certification for all  
13 tree farmers – unsustainable forest initiative through SFI Inc.  
14  
15 The Clearwater RC&D is now an affiliate aggregator with NCOC, and is focusing on  
16 community education rather than trading. They might use the formulas developed by  
17 UC Davis to calculate the amount of carbon in Idaho forests.  
18  
19 Mike Hoffman – is there any interest in serving as part of a core group to head up a  
20 Pilot Project for Forestlands? If so, are there any volunteers?  
21  
22 Q: Jay O'Laughlin – is John Crockett a member of the ICSAC?  
23 A: No, but he's interested in being a contact between the Committee and the  
24 Governor's *Office of Energy Resources*.  
25  
26 Kummert – NRCS, IDL, and RC&Ds are good at creating one-page flyers as educational  
27 materials – **should we create a brochure** for the public regarding carbon credit  
28 trading, and sequestration in general? Consensus from the group was affirmative – an  
29 educational brochure would be a good tool.  
30  
31 Evans – We still have to get terrestrial carbon sequestration recognized at the State and  
32 Federal level, stressing the economic benefits, etc. of having trees as part of the carbon  
33 storage process.  
34  
35 Ron Mahoney – selling credits may be premature, as we don't have many opportunities  
36 yet. CCX has not designated cropping regions in Idaho. If we educate our landowners  
37 about carbon credit trading, but they're unable to sell their credits, they will probably  
38 lose interest, and we may not be able to get them back after the infrastructure is set  
39 up. Forestry, rangeland, and grassland have already been designated to trade, but not  
40 cropping regions.  
41  
42 Frank Gariglio/NRCS will continue to use EQIP, CRP and other existing programs to  
43 encourage Idaho landowners to install conservation practices, including practices which  
44 will reduce carbon emissions.

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O'Laughlin -- Resources and Environment Committee -- Senator Kelly is introducing a bill today, February 13, which asks DEQ to partner with members of the Governor's *Office of Energy Resources* to compile a report for presentation to the Committee. The Office of Energy Resources was created by Governor Otter in September 2007. Members of the ICSAC may be asked to contribute information to this report.

Nez Perce Tribe as potential pilot project. *The New York Times* published an article regarding the Nez Perce tribe's recent carbon trades on May 8, 2007:

SCIENCE TIMES F1-8

*Tribes Market Carbon Credits*

*The market for carbon credits promises to be a boon for some land-rich but cash-poor tribes like the Nez Perce in Lapwai, Idaho. Selling carbon sequestration credits early in the growth of a forest lets the tribe realize some money more quickly.*

Will Brian be willing to write up a paper summarizing the Nez Perce Tribe's experience working with the Chicago Climate Exchange? He will check with the Tribe's decision makers.

Big Sky Partnership/NCOC has existing projects on the ground in eastern Idaho -- check with them

Furman -- have we decided anything? Bennett, Hoffman, Furman, and O'Laughlin will meet together to take some first steps in editing or rewriting the Framework document to make it more understandable to the general public.

There being no further business to discuss, the meeting adjourned at 12:58 PM Mountain Standard Time.

Respectfully submitted,

Carol P. Youtz  
Administrative Assistant  
Idaho Soil Conservation Commission